



City of Rockville FY 2009 Budget In Brief

City Manager Scott Ullery has presented his proposed Fiscal Year 2009 Operating Budget and Capital Improvements Program to the Mayor and Council. This Budget In Brief provides an overview.

From the City Manager: The FY 2009 Proposed Budget

This Budget In Brief insert provides highlights of the City Manager's recommended budget for the City of Rockville for fiscal year (FY) 2009. The budget is balanced, and supports the Mayor and Council's 10-year vision, existing programs and services, and the City's infrastructure.

The FY09 recommended budget includes no increase in the property tax rate, and no decrease in City services. More than \$1.8 million in tax credits benefit homeowners, including the Homeowner's Tax Credit, Senior Tax Credit, and Income Tax Offset Credit programs.

Featured in the FY09 budget is the City's commitment to environmental sustainability. Major long-term infrastructure and programs for improving stormwater quality and improvements to the City's recycling program will be launched in FY09 as part of the "Strategy for a Sustainable Rockville" approved by the Mayor and Council earlier this year.


A 15-year program to fix our aging water delivery system also is recommended to begin in FY09. As recommended, this will require a significant hike in water rates, but it is important not to wait and let the problem become worse.

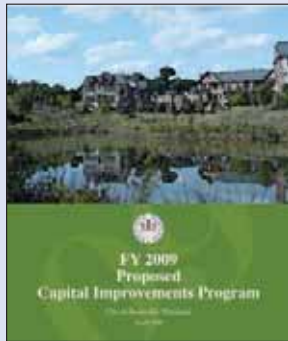
While uncertainties and challenges lie ahead, so do many opportunities. The City's financial policies and conservative fiscal approach allow the City to sustain its strong financial position for FY09 and beyond. Our financial strength and commitment to public service enable us to anticipate and adapt to the changing needs of our citizens. As Rockville continues growing in size and complexity, the City government must keep pace.

As city manager, it is my responsibility to recommend a budget to the Mayor and Council that

uses taxpayer dollars responsibly and effectively to fund the services residents need and want. But that is only the first step toward adopting the budget. The next is for citizens to provide input at two public hearings, scheduled for March 31 and April 14. The Mayor and Council will then review the recommended budget and citizen comments as they deliberate on formulating the final budget. The Mayor and Council are scheduled to adopt the budget in May. Please review the complete schedule below. We look forward to your participation.

Respectfully Submitted,


Scott Ullery,
City Manager



Making "Cents" of The City's Dollar



Illustrates how, by department, approximately \$1 of the City's Total Budget is allocated.

Total Proposed Budget Highlights

The FY 2009 Proposed Operating Budget is balanced, and supports the Mayor and Council's vision, existing programs and services, and the City's infrastructure. The total budget for all funds equals \$103.9 million, an increase of 10.7 percent over last year.

- The Proposed FY 2009 General Fund operating budget increased by 5.9 percent to \$62.4 million, and maintains a real property tax rate of \$0.302 and a personal property tax rate of \$0.805 per \$100 of assessed valuation. The FY 2009 proposed budget includes over \$1.8 million in real property tax credits through the Homeowners' Tax Credit, Senior Tax Credit, and Income Tax Offset Credit programs.
- Projected General Fund revenue will exceed FY 2008 adopted revenue by \$3.5 million. The General Fund growth is characterized by strong revenue growth predominantly in real property tax, with an increase of \$2.6 million or 9 percent, and income tax, with an increase of \$1.0 million or 12 percent.
- The proposed FY 2009 Capital Improvements Program (CIP) budget totals \$80.5 million across all funds. This includes carry-over funding of \$56.4 and new appropriations of \$24.1 million to fund 81 CIP projects. The total Capital Projects fund budget is \$47.9 million.
- There are new operating and capital expenses for FY 2009 as a result of the Water Treatment Plant Study and the Water Distribution System Study. The FY 2009 budget continues with the three-tiered water rate structure and the ready-to-serve charge. The proposed rates per quarter are: \$2.80 per 1,000 gallons for the first 12,000 gallons, \$4.02 per 1,000 gallons for the next 12,000 gallons, \$4.32 per 1,000 gallons for usage over 24,000 gallons. The revenue from the ready-to-serve charge, which increased by 3 percent over FY 2008, is split evenly between the Water and Sewer funds.
- The proposed sewer rate is \$3.97 per 1,000 gallons, an increase of \$0.15 or 3.9 percent over FY 2008. The average Rockville household will pay \$241 per year for sewer service.
- The proposed refuse rate remains the same as the FY 2008 adopted rate of \$32.70. Beginning in October 2008, the City will begin implementing the semi-automated once per week refuse and recycling program. Program implementation is estimated to last approximately 18 months.

New Senior Tax Credit Proposed While Other Tax Relief Suggested to Continue

The FY 2009 proposed budget includes more than \$1.8 million in real property tax credits through the proposed new credit for seniors and continuation of a Homeowners' Tax Credit and Income Tax Offset Credit.

For the first time, the City budget proposes tax relief for seniors through the Senior Tax Credit Program that allows for 25 percent additional credit beyond the Homeowners' Tax Credit Program if one or more of the primary residents is 70 years or older.

The Homeowners' Tax Credit Program provides tax relief to the city's low- and moderate-income taxpayers. The program has been available in the city for the past three years and is proposed to continue for a fourth consecutive year. Many households with annual gross incomes of up to \$70,000 will qualify for the credit on their FY 2009 real property tax bills. For very low household incomes, the credit eliminates the City tax bill on the first \$300,000

of assessed value. The amount of the credit decreases as gross household income rises, until reaching zero at \$70,000.

The FY 2009 proposed budget also includes the continuation of a one-time credit of \$100 for every owner-occupied household. Under Maryland law, the City of Rockville may grant a real property tax credit that offsets revenue collected above an income tax rate of 2.6 percent. The income tax rate for Montgomery County is 3.2 percent. With the proposed credit, the City is providing approximately \$1.54 million in this type of tax relief for FY 2009. Rockville homeowners received this tax credit for the first time in FY08, in the same amount as proposed again this year for FY09.

For more information on the Homeowners' Tax Credit Program visit the Maryland State Department of Assessments and Taxation Web site at www.dat.state.md.us or call 1-800-944-7403 ■

Budget Available; Public Input Invited

The complete proposed FY 2009 budget is available online at www.rockvillemd.gov/government/budget. Also, copies are available for review at the Rockville Library and City Hall. Public input opportunities include two public hearings conducted by the Mayor and Council on March 31 and April 14. The following two weeks, the Mayor and Council will conduct worksessions. All meetings will be televised live on The Rockville Channel (TRC 11).

Fiscal Year 2008 Budget Schedule

- **March 31:** Public hearing #1, Budget and Constant Yield Tax Rate
- **April 14:** Public hearing #2
- **April 28:** Mayor and Council Work Session #1
- **May 5:** Mayor and Council Work Session #2
- **May 19:** Budget Adoption

All meetings begin at 7 p.m. at City Hall, 111 Maryland Ave.

The Mayor and Council of Rockville Vision Priorities for the City

During its biannual retreat of January 12-13, 2008, the Rockville Mayor and Council developed its ten-year vision for Rockville, and identified the short-term priorities to pursue over the next two years toward achieving that vision. The vision of a desired future state of the community is focused on the following seven major themes: *Distinct Neighborhoods, One City; A Cultural Destination; Green City; Quality Built Environment, Exceptional City Services; Economic Development and Sustainability; and Community Engagement.*

The vision statement is in draft form awaiting formal adoption. The full text of the draft Vision can be found in the proposed budget online at www.rockvillemd.gov/government/budget.



Rockville's neighborhoods represent the full history of the community.

Distinct Neighborhoods, One City

Neighborhoods are the heart and soul of our city. Our neighborhoods are safe, attractive, and a source of pride for the residents. They reinforce a strong sense of identity and community.

2008-2010 VISION PRIORITIES:

- Ensure in our planning processes that pedestrian needs are met.
- Develop a Master Plan for bike and pedestrian ways that surveys all signs, crossings, and sidewalks, identifies needed enhancements, and prioritizes the needs.
- Educate and provide operational support to neighborhoods for programming holiday events.
- Undertake an aggressive campaign and lobby the Montgomery County Public Schools to ensure that all Rockville school children are assigned to schools within Rockville.



One of many performances by Rockville's Concert Band in Rockville Town Center.

A Cultural Destination

Rockville aims to become a major regional cultural center – recognized as such regionally, nationally, and internationally. Rockville, the seat of Montgomery County, has a rich history, unique and diverse cultural events, and fine shopping.

2008-2010 VISION PRIORITIES:

- Prepare and implement a cultural plan with ambitious goals for cultural amenities, including programs for cultural and entertainment activities throughout Town Center.
- Support and encourage the development of a new soccer team that will use the Richard Montgomery High School field.
- Continue to spearhead bringing a Science Center to the City.



Stream clean up yields great results.

Green City

Rockville strives to be a leader in environmentally sustainable development that protects and enhances our community's quality of life. The community is dedicated to fulfilling its responsibility for strong stewardship of the natural environment.

2008-2010 VISION PRIORITIES:

- Continue conducting an environmental education campaign, to include recycling, eradicating invasive species, and other activities fostering environmental quality.
- Create an incentive program for homeowners and citizens to adopt practices that reduce the negative environmental impacts of their homes and behaviors.
- Identify and tap into federal and state funding programs for improving energy conservation and efficiency.



Rockville's Town Center is a popular gathering place, morning, noon and night.

Quality Built Environment

The quality of a city's built environment is fundamental to the community's overall quality of life. Rockville aspires to be a more beautiful city, and a model of quality development.

2008-2010 VISION PRIORITIES:

- Successfully complete the new Zoning Ordinance approval process.
- Conduct a street lighting survey to determine its adequacy.
- Improve PEPCO's responsiveness and quality of service.



Customer service in action.

Exceptional City Services

Exceptional cities have exceptional local governments that are fiscally strong, and successfully anticipate and provide for community needs. The City of Rockville provides a full complement of services that are of high quality and well funded, and keeps pace with changing needs.

2008-2010 VISION PRIORITIES:

- Reexamine the Charter with regard to the City Council's size, term length and concurrence, and at-large representation.
- Better define the authority of and coordination among boards and commissions, the process for filling vacancies, and the qualifications of members.
- Analyze and adopt, if feasible, a property tax deferral program for seniors.



Start-up businesses grow in Rockville's Arts and Innovation Center with two floors dedicated to a business incubator.

Economic Development and Sustainability

Rockville is a regional employment center for both the public and private sector. As the County seat, state and county government are major employers. The City is committed to building a reputation as a highly desirable place to conduct business.

2008-2010 VISION PRIORITIES:

- Develop and implement a City branding campaign with a goal of attracting the public to Rockville.
- Encourage the business community to become more involved in civic and community activities, including the City joining the Rockville Chamber of Commerce, Montgomery County Chamber of Commerce, and Committee for Montgomery County.
- Develop partnerships with local venues to increase local entertainment.



Round table discussions bring citizens together.

Community Engagement

The most successful communities provide multiple opportunities and avenues for citizens to engage their government effectively, and work actively for the betterment of the community. The public's access to the City is fully open, and the City facilitates broad and effective citizen participation.

2008-2010 VISION PRIORITIES:

- Improve the effectiveness and inclusiveness of citizen input systems, with the objective of achieving a broad and unifying consensus.
- Increase resources for web-based and other technology-based methods for information dissemination.

Rockville - By The Numbers

Tax Talk: A Look at Property Assessments

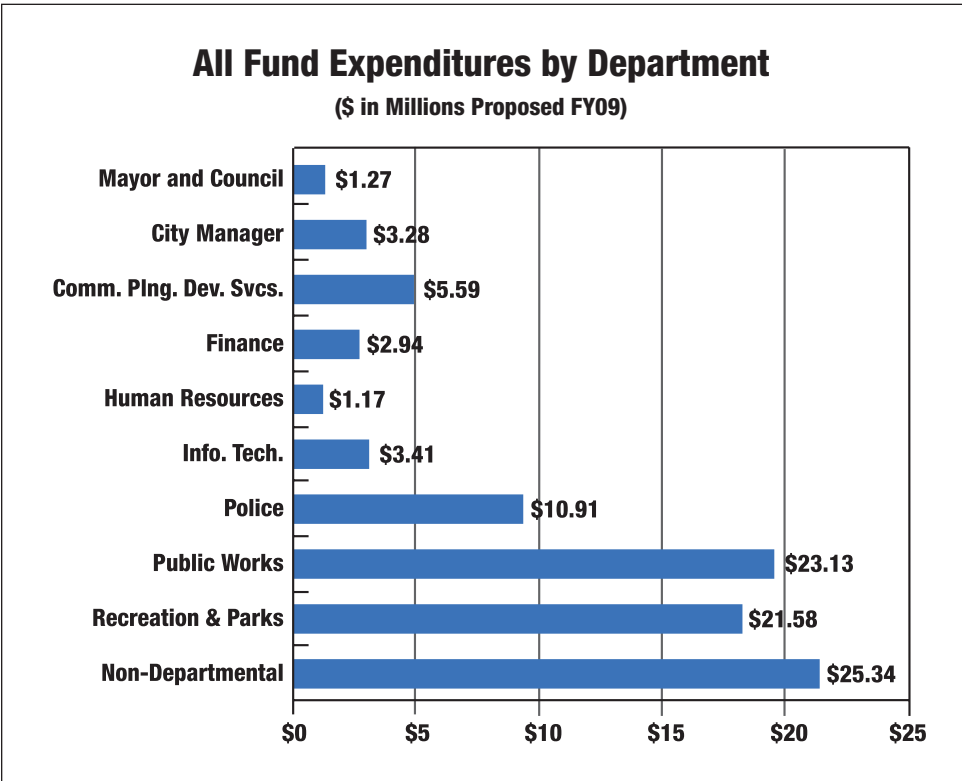
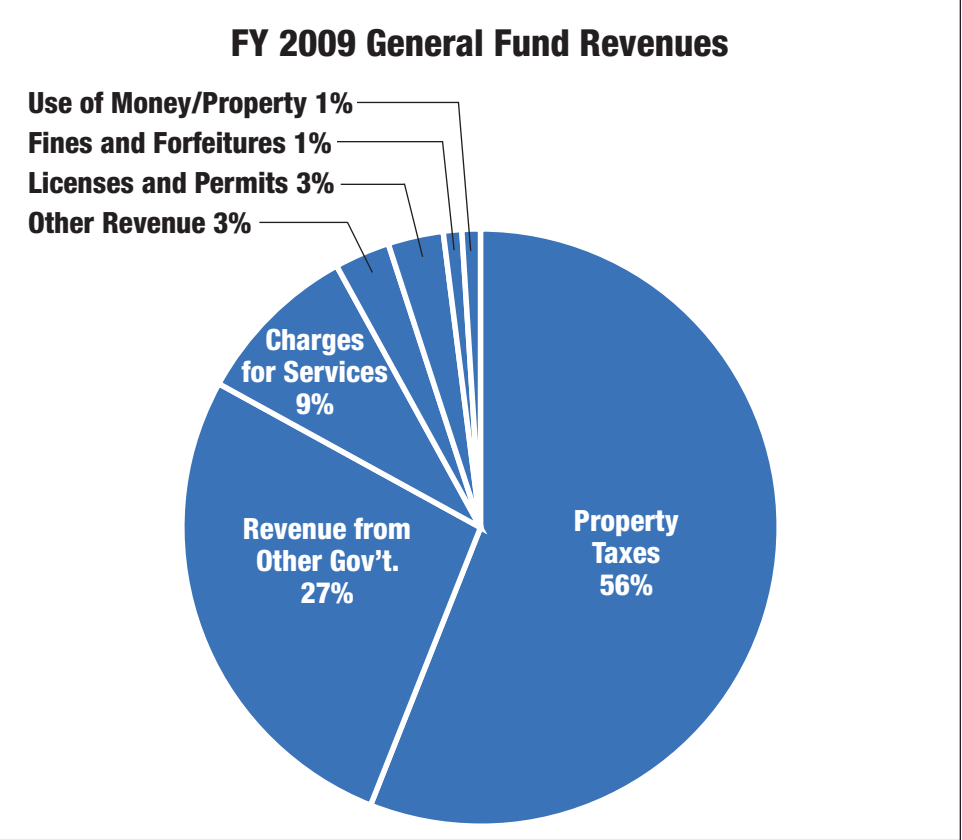
Property value assessments and new development are principal drivers of City revenues. For several years both new development and property values have increased significantly, providing needed revenue to meet the demand for basic municipal services and maintenance of public facilities. The rate of new private development has slowed considerably due in part to the City’s current moratorium, which is scheduled to end on June 30, 2008. The proposed new zoning regulations currently being considered by the Planning Commission may also impact new development. The revenue impact of this slower rate of new development is not readily apparent because property values remain relatively high. Assessed valuations are not decreasing, however they are increasing at lower levels.

Starting in FY 2011, the City anticipates that the assessed value above the ten percent residential cap on annual increases will be fully taxed. It is because of this excess capacity that Rockville’s assessable base has continued to grow despite the national and regional economic conditions. Staff anticipates that assessments will continue to rise but at a much slower rate, and the City’s ability to sustain its current programs and service levels, at the current tax rate, will be accomplished through continued careful management of resources.

General Fund Revenues

The General Fund constitutes the City’s single largest discretionary operating fund. The City’s goal is to balance the General Fund operating budget without the need to rely on reserves, which this budget achieves for FY 2009. The proposed FY 2009 General Fund budget of \$62.4 million is 5.9 percent higher than what was adopted for FY 2008. The General Fund growth is characterized by strong revenue growth predominantly in real property tax (increase of 9.0 percent) and income tax (increase of 12.0 percent). In total, the City should receive approximately \$3.5 million more than was adopted for FY 2008. The following table summarizes the General Fund revenue sources.

GENERAL FUND REVENUES	ADOPTED FY08	PROPOSED FY09	% CHANGE
Property Taxes	32,024,080	34,416,320	7.5
Licenses and Permits	1,714,500	1,764,500	2.9
Revenue from Other Gov’t.	16,107,699	16,872,259	4.7
Charges for Services	5,539,942	5,919,395	6.8
Fines and Forfeitures	774,000	824,000	6.5
Use of Money/Property	1,073,812	870,676	-18.9
Other Revenue	1,672,872	1,729,123	3.4
TOTAL	58,906,905	62,396,273	5.9%



Comparison of Costs FY 2008 to FY 2009

Rockville Real Property/Tax Rate

Adopted FY 2008.....\$.302 per \$100 of assessed real property
Proposed FY 2009.....\$.302 per \$100 of assessed real property

Rockville Refuse Rate

Adopted FY 2008\$32.70/month
Proposed FY 2009.....\$32.70/month

Rockville Sewer Rate*

Adopted FY 2008\$3.82/1,000 gallons
Proposed FY 2009.....\$3.97/1,000 gallons

Rockville Water Rate*

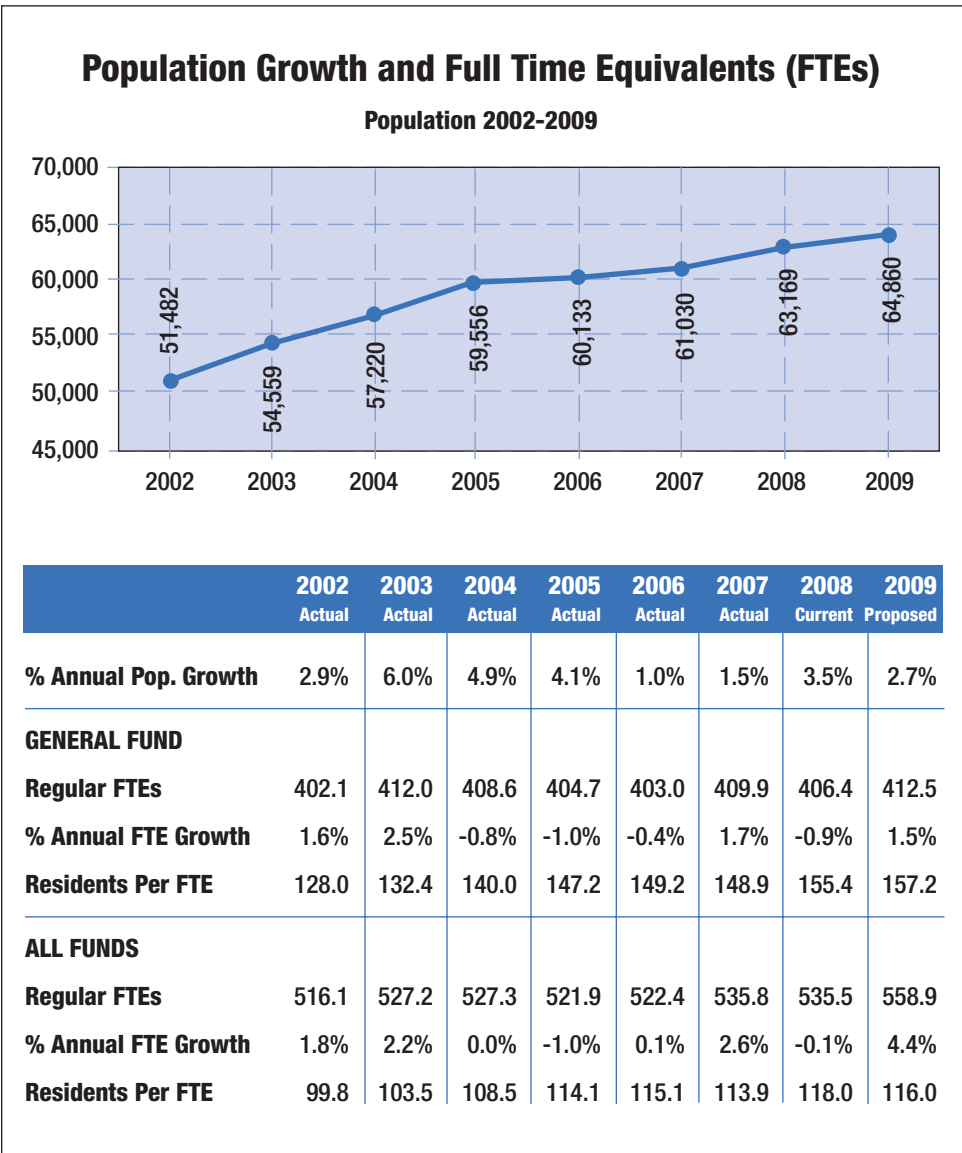
	Adopted FY 2008	Proposed FY 2009
First 12,000 gallons/quarter	1.78	2.80
Next 12,000 gallons/quarter	2.56	4.02
Over 24,000 gallons/quarter	2.75	4.32

**NOTE: In addition to the rate, customers must pay a “ready to serve” charge per quarter for water and sewer service that is based on the size of the meter. For FY 2009, the ready to serve charge increased by 3 percent to \$9.27 per quarter for most households.*

Annual Direct Expense to a Single Family Home for City Services**

	FY 2008	FY 2009	Change %
Property Tax***	\$555	\$621	11.9%
Water (56,000 gal/yr)****	\$124	\$185	49.2%
Sewer (56,000 gal/yr)****	\$232	\$241	3.9%
Refuse Charge	\$392	\$392	0.0%
TOTAL	\$1,303	\$1,439	10.4%

*** Based on a home assessed at \$404,570 in 2006 (homes are assessed every 3 years). Does not include tax revenues the City receives from county and state governments.*
****Includes homestead tax credit and \$100 income tax offset credit.*
*****Includes one half of the “ready to serve” charge.*



You and 'Fido' can Help Protect the City's Water Quality – Scoop the Poop!

It is important for pet owners to remember the importance of cleaning up pet waste thoroughly each and every time. Pet waste is a small problem on an individual scale that can add up to a big problem for City water quality. All pet owners are responsible for keeping common areas, including back yards, waste free. Neighbors that do not comply are subject to a fine. This law is designed to protect water quality and public health.

Every time it rains or snows, the potential exists for pet waste to wash down storm drains and into City waterways. If not disposed of properly, pet waste flows di-

or commercially produced pooper scoopers to collect pet waste. Be a good neighbor and a good steward of the city's environment and always scoop the poop. ■

Fortunately, cleaning up after a pet is simple. Dispose of poop by either flushing poop down the toilet or double bag and securely tie then deposit in your regular trash. The water from toilets go to the Blue Plains waste water treatment plant that removes pollutants before the water reaches waterways. To prevent plumbing problems, do not flush debris such as rocks, sticks and cat litter. Cat waste can be scooped out and flushed down the toilet, but used litter should be put in a securely closed bag and disposed of in the trash. Use old plastic bags or commercially produced pooper scoopers to collect pet waste. Be a good neighbor and a good steward of the city's environment and always scoop the poop. ■

Please join in the fun!

Date: April 19, 2008
Time: 10 a.m. to 1 p.m.
Place: Rockville Dog Park at Mattie J.T. Stepanek Park
 Pleasant Drive in King Farm

**Dog related clinics • Doggie bags and giveaways • Moonbounce for children •
On-site licensing and registration • Rockville Dog Owners Group (RDOG)**

Hosted by the City of Rockville Department of Recreation and Parks and RDOG • www.dogsrock.org

Dog and Cat Rabies Vaccinations and Licenses

The City of Rockville requires all dogs and cats older than four months to be vaccinated for rabies. All dogs older than four months also are required to be licensed. No City of Rockville license is required for cats.

Dog License Fees (renewal only)	Unspayed/Unneutered	Spayed/Neutered
One Year	\$12	\$6
Two Years	\$24	\$12
Three Years	\$36	\$18

There is a 50% reduction on the above fees for senior citizens, people with disabilities, and those persons on public assistance. For additional information call 240-314-8937 or www.rockvillemd.gov

Frolic With Your Pet, But Be Aware, Some Plants May Be Harmful to Canine and Feline Companions

The Rockville City Police Department, Neighborhood Services Division plays a vital role in the community. This Division verifies that all animal control regulations are enforced to better ensure resident's safety. Safety concerns are not limited to human residents. Animals too can be at risk when exposed to potentially harmful plants.

This time of year many spring and summer plants will be in bloom and the Division wishes to send out a safety reminder to all pet owners. This information is not to panic pet owners but to address potential harmful



effects of certain plants and flowers.

There are more than 700 kinds of plants that may be

harmful to your pet. These include mistletoe, daffodils, larkspur, hydrangea, Lily of the Valley, foxglove, rhododendron, azaleas, philodendron and dieffenbachia to name a few. Leaves and stems from tomato plants also can be harmful.

It is best to keep pets out of vegetable and flower gardens altogether, but if it is suspected a pet may have eaten a poisonous plant, watch for symptoms such as vomiting, diarrhea, loss of appetite, mouth swelling, and salivation. Take the animal to the veterinarian and take along a leaf from the plant that was eaten. Treatment is based on



Indoors or out, your companion animal trusts that you will keep their environment safe by not having harmful plants in or around your house.

the type of plant and amount
swallowed.

For more information, con-

contact the Rockville City Police, Neighborhood Services Division at 240-314-8937. ■